

Oregon Agriculture and Fisheries 2000

Government payments to Oregon farmers increased 30 percent in 2000 over 1999 payments. Government payments were more than twice what they were in 1997. The increase in farm cash receipts, though small in percentage terms, at least added more to the gain in gross farm income than did the government payments. **Production expenses** crawled upward.

Net farm income per farm, although up from 1999, remained low compared with earlier years. The absolute level of net farm income per farm may seem low for all the years because of the official definition of a farm. A farm is any place from which \$1,000 or more of agricultural products were produced and sold, or normally would have been sold during the calendar year. The \$1,000 level has not changed since 1974 so there is a significant difference between real and nominal dollars.

Consider that for the last Census of Agriculture (1997), farms counted with sales below \$10,000 accounted for almost 62 percent of Oregon's farms. Those numerous but smaller farms accounted for less than 2 percent of sales. So part of the reason that net farm income per farm appears low comes from the generous definition of a farm. The **rate of return** from current income, although up in 2000, is still low historically.

The first table on page 4 shows a disheartening trend in the value of total Oregon Agricultural **exports**. However, note that good export data at the state level are hard to come by. The Oregon portion of the U.S. production is used to prorate Oregon's portion of U.S. exports. This is because the Economic Research Service is able to obtain these export data on the national level but not at the state level. One would expect that Oregon exports a higher portion of wheat, for example, than does the country as a whole. One exception to a lack of data was for the nursery industry in 1999. The Oregon Agriculture Statistics Service collected export data on their annual survey.

The small aggregate increases in **value of production** and **cash receipts** (pages 10 and 11) from 1999 to 2000 were modest. Worth noting is the continued record high values set by the Oregon nursery and Christmas tree industries. Also worth noting were at least partial rebounds in prices that helped cattle and onion entrepreneurs. Pear growers suffered from a sharp price slump.

Most of the modest increase in **farm assets** (pg. 12) came from increases in aggregate real estate values. Farm **debt** continued to inch upward. Debt/equity and debt/asset **ratios** have held fairly steady since 1998.

Gross and net income from farming: Oregon, 1996-2000

Item	1996	1997	1998	1999	2000
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
Cash receipts from farm marketings	2,937.2	3,195.5	2,967.9	3,003.6	3,046.4
Government payments	73.3	63.5	100.0	105.5	137.4
Farm related income ^{1/}	480.6	421.1	360.1	369.0	342.2
Non-money income ^{2/}	270.5	266.8	257.5	272.5	273.2
Value of inventory adjustments	55.5	13.3	21.8	-31.6	-46.8
Gross farm income total	3,817.0	3,960.2	3,707.3	3,719.0	3,752.4
Production expenses total	3,237.1	3,337.1	3,228.9	3,398.7	3,414.9
Net total farm Income	579.9	623.1	478.4	320.3	337.5
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Net farm income per farm	15,062	15,977	12,111	7,909	8,437.5
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Rate of return from current income ^{3/}	3.44	3.62	2.68	1.75	1.81

^{1/} Includes machine hire/custom work, recreational income, farm forest product sales and other farm business-related income.

^{2/} Includes value of home consumption and rental value of operator's hired laborers' dwellings.

^{3/} Returns to operators from net farm income divided by total assets (operator's capital investment).

Source: U.S. Department of Agriculture, Economic Research Service, State Financial Summary. [Http:// www.ers3.usda.gov](http://www.ers3.usda.gov)